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GENERAL COUNSEL'S OPINION NUMBER 53-11, DATED 1 DECEMBER 1953

There is no legal objection to purchase or sales transactions between the Government and its employees provided such transactions are of a normal "arms length" character.

TO THE CHIEF OF ADMINISTRATION, DD/P

1. This will acknowledge receipt of a memorandum from the Chief, FE, dated 16 November 1953, which you forwarded to this office for comment on the legality of the procedure proposed therein.

2. The FE memorandum outlines the case of a Mr. S. who is shortly to return to the United States and who has offered to sell his household effects in B. to the Agency for \$700. The memorandum reports the opinion of the Chief of Station that the price offered by Mr. S. is an exceptionally good one, especially in view of the fact that the Agency would otherwise be required to ship the furniture back to the United States and purchase additional furniture for the next occupant of Mr. S.'s quarters. You specifically ask if there is any legal way to permit purchases of this kind.

3. Although there may be said to be a Government policy against engaging in purchases or sales from or to Government employees, there is no legal objection to such transactions provided they are of a normal "arms length" character. This office, therefore, perceives no objection to the purchase of Mr. S.'s furniture by the Agency, provided the price is, in fact, a good one, that the purchase is made by the officials normally required to conduct such affairs, and that every effort is made to ensure adequate documentation and inclusion in the property records of the Agency.

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LAWRENCE R. HOUSTON
General Counsel

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